

AN ACT concerning education.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 5. The School Code is amended by changing Section 2-3.17a as follows:

(105 ILCS 5/2-3.17a) (from Ch. 122, par. 2-3.17a)

Sec. 2-3.17a. Financial audits by Auditor General. The Auditor General shall annually cause an audit to be made, as of June 30th of each year, of the financial statements of all accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools of each educational service region in the State and of each educational service center established under Section 2-3.62 of this Code other than an educational service center serving a school district in a city having a population exceeding 500,000. The audit shall be conducted in accordance with Generally Accepted Governmental Auditing Standards and shall include an examination of supporting books and records and a representative sample of vouchers for distributions and expenditures. A regional office of education or educational service center may utilize a cash basis, modified cash basis, or generally accepted accounting principles (GAAP) basis of accounting to prepare the financial statements for the audit.

On February 15 of each year, the Auditor General shall notify the Legislative Audit Commission in writing of the completion or of the reasons for the noncompletion of each audit required by this Section to be made as of the preceding June 30. An audit report shall be prepared for each audit made pursuant to this Section, and all such audit reports shall be kept on file in the office of the Auditor General, published on the Auditor General's website, and distributed in accordance with Section 3-14 of the Illinois State Auditing Act. ~~Within 60 days after each audit report required to be prepared under this Section is completed, the Auditor General: (i) shall furnish a copy of such audit report to each member of the General Assembly whose legislative or representative district includes any part of the educational service region served by the regional superintendent of schools with respect to whose financial statements that audit report was prepared or any part of the area served by the educational service center that is the subject of the audit; and (ii) shall publish in a newspaper published in that educational service region or area served by the educational service center that is the subject of the audit a notice that the audit report has been prepared and is available for inspection during regular business hours at the office of the regional superintendent of schools of that educational service region or at the administrative office of the educational service center.~~ Each audit shall be made in such manner as to determine, and each audit report shall be

prepared in such manner as to state:

(1) The balances on hand of all accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools or educational service center at the beginning of the fiscal year being audited;

(2) the amount of funds received during the fiscal year by source;

(3) the amount of funds distributed or otherwise paid by the regional superintendent of schools or educational service center to each school treasurer in his or her educational service region or area, including the purpose of such distribution or payment and the fund or account from which such distribution or payment is made;

(4) the amounts paid or otherwise disbursed by the regional superintendent of schools or educational service center -- other than the amounts distributed or paid by the regional superintendent of schools or educational service center to school treasurers as described in paragraph (3) above -- for all other purposes and expenditures, including the fund or account from which such payments or disbursements are made and the purpose thereof; and

(5) the balances on hand of all accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools or educational service center at the end of the fiscal year being audited.

The Auditor General shall adopt rules and regulations relative to the time and manner by which the regional superintendent of schools or educational service center shall present for inspection or make available to the Auditor General, or to the agents designated by the Auditor General to make an audit and prepare an audit report pursuant to this Section, all financial statements, books, records, vouchers for distributions and expenditures, and records of accounts, funds and other moneys in the care, custody or control of the regional superintendent of schools or educational service center and required for purposes of making such audit and preparing an audit and preparing an audit report. All rules and regulations adopted by the State Board of Education under this Section before the effective date of this amendatory Act of the 92nd General Assembly shall continue in effect as the rules and regulations of the Auditor General, until they are modified or abolished by the Auditor General.

The Auditor General shall require the regional superintendent of schools of each educational service region or administrator of each educational service center to promptly implement all recommendations based on audit findings resulting from a violation of law made in audits prepared pursuant to this Section, unless the Auditor General, upon review, determines, with regard to any such finding, that implementation of the recommendation is not appropriate.

(Source: P.A. 92-544, eff. 6-12-02.)

Public Act 102-0025

HB1934 Enrolled

LRB102 05065 CMG 15084 b

Section 99. Effective date. This Act takes effect upon becoming law.